

ORIGINAL

NEW APPLICATION



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BEFORE THE ARIZONA CORPORATION COMMISSION

2008 JUL 22 A 10:18

COMMISSIONERS

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Arizona Corporation Commission  
**DOCKETED**

JUL 23 2008

MIKE GLEASON, Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

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In the matter of:

ROBERT PRESTON INGRAM and JANE  
DOE INGRAM, husband and wife,

Respondents.

DOCKET NO. S-20604A-08-0371

**NOTICE OF OPPORTUNITY FOR HEARING  
REGARDING PROPOSED ORDER TO  
CEASE AND DESIST, FOR RESTITUTION,  
FOR ADMINISTRATIVE PENALTIES AND  
FOR OTHER AFFIRMATIVE ACTION**

**NOTICE: EACH RESPONDENT HAS 10 DAYS TO REQUEST A HEARING**

**EACH RESPONDENT HAS 30 DAYS TO FILE AN ANSWER**

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that respondent ROBERT PRESTON INGRAM has engaged in acts, practices, and transactions that constitute violations of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act").

**I.**

**JURISDICTION**

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

**II.**

**RESPONDENTS**

2. ROBERT PRESTON INGRAM ("INGRAM") is a married man who at all times relevant resided in Scottsdale, Arizona.

1           3.     JANE DOE INGRAM was at all relevant times the spouse of RESPONDENT  
2 INGRAM. JANE DOE INGRAM is referred to hereafter as "RESPONDENT SPOUSE."  
3 RESPONDENT SPOUSE is joined in this action under A.R.S. § 44-2031(C) solely for purposes of  
4 determining the liability of the marital community.

5           4.     At all times relevant, INGRAM was acting for his own benefit and for the benefit or  
6 in furtherance of INGRAM and RESPONDENT SPOUSE's marital community.

### 7                               III.

### 8                               FACTS

9           5.     From on or about August 2005 to November 2006, INGRAM offered and sold  
10 unregistered securities within or from Arizona in the form of investment contracts.  
11 ("Investments"). INGRAM sold \$531,700 worth of the Investments to 8 investors residing in 4  
12 states. The investor's funds were deposited into INGRAM's Arizona bank account.

13           6.     INGRAM represented to offerees and investors that he was a director and principal  
14 in an "International Private Placement Project" that initiated high yield, large volume bank  
15 transactions through "Prime World Banks" with pooled investor money (the "PWB Project").

16           7.     INGRAM represented to investors that he would invest their Investment money in  
17 the PWB Project. INGRAM further represented that the PWB Project Investments would provide  
18 investors with profits of 500% to 2,000% on their principal Investments within 60 days.

19           8.     INGRAM provided written Investment solicitation materials to investors by email.  
20 These materials did not fully describe how the PWB Project would generate the promised Investment  
21 profits. According to these materials, an investor could consummate an Investment by signing a  
22 contract, and by making the principal investment payment to INGRAM. INGRAM instructed the  
23 investors to mail their original Investment contracts to his private Scottsdale, Arizona mail box.

24           9.     Once investors provided INGRAM with their funds and signed contracts, they had no  
25 contractual duties or responsibilities to fulfill to receive their promised Investment profits.

26

11. Unbeknownst to his investors, INGRAM deposited investor funds into his personal bank account and, in some instances, used investor funds for his personal use.

#### IV.

**(Offer or Sale of Unregistered Securities)**

14. The securities referred to above were not registered pursuant to Articles 6 or 7 of the Securities Act.

**V.**

**(Transactions by Unregistered Dealers or Salesmen)**

17. This conduct violates A.R.S. § 44-1842.

**VI.****VIOLATION OF A.R.S. § 44-1991****(Fraud in Connection with the Offer or Sale of Securities)**

18. In connection with the offer or sale of securities within or from Arizona, INGRAM directly or indirectly: (i) employed a device, scheme, or artifice to defraud; (ii) made untrue statements of material fact or omitted to state material facts that were necessary in order to make the statements made not misleading in light of the circumstances under which they were made; or (iii) engaged in transactions, practices, or courses of business that operated or would operate as a fraud or deceit upon offerees and investors. INGRAM's conduct includes, but is not limited to, the following:

- A. Misrepresenting to investors that they would earn 500% to 1,000% profit on their Investments within 60 days.
- B. Failing to disclose to investors that INGRAM deposited investor funds into his personal bank account and, in some instances, used investor funds to pay for personal expenditures.
- C. Failing to disclose to investors any risks associated with the PWB Project Investments.

19. This conduct violates A.R.S. § 44-1991.

**VII.****REQUESTED RELIEF**

The Division requests that the Commission grant the following relief:

- 1. Order INGRAM to permanently cease and desist from violating the Securities Act pursuant to A.R.S. § 44-2032;
- 2. Order INGRAM to take affirmative action to correct the conditions resulting from INGRAM's acts, practices, or transactions, including a requirement to make restitution pursuant to A.R.S. § 44-2032;
- 3. Order INGRAM to pay the state of Arizona administrative penalties of up to five thousand dollars (\$5,000) for each violation of the Securities Act, pursuant to A.R.S. § 44-2036;

1           4.       Order that the marital community of INGRAM and RESPONDENT SPOUSE be  
2 subject to any order of restitution, rescission, administrative penalties, or other appropriate  
3 affirmative action pursuant to A.R.S. §§ 25-215 and 44-2031(C) and

4           5.       Order any other relief that the Commission deems appropriate.

5                               **VIII.**

6                               **HEARING OPPORTUNITY**

7           Each RESPONDENT may request a hearing pursuant to A.R.S. § 44-1972 and A.A.C. R14-  
8 4-306. **If RESPONDENT INGRAM or RESPONDENT SPOUSE requests a hearing, the**  
9 **requesting respondent must also answer this Notice.** A request for hearing must be in writing  
10 and received by the Commission within 10 business days after service of this Notice of Opportunity  
11 for Hearing. The requesting respondent must deliver or mail the request to Docket Control, Arizona  
12 Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007. Filing instructions may  
13 be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web  
14 site at <http://www.azcc.gov/divisions/hearings/docket.asp>.

15           If a request for a hearing is timely made, the Commission shall schedule the hearing to begin  
16 20 to 60 days from the receipt of the request unless otherwise provided by law, stipulated by the  
17 parties, or ordered by the Commission. If a request for a hearing is not timely made the Commission  
18 may, without a hearing, enter an order granting the relief requested by the Division in this Notice of  
19 Opportunity for Hearing.

20           Persons with a disability may request a reasonable accommodation such as a sign language  
21 interpreter, as well as request this document in an alternative format, by contacting Linda Hogan,  
22 ADA Coordinator, voice phone number 602/542-3931, e-mail [lhogan@azcc.gov](mailto:lhogan@azcc.gov). Requests should  
23 be made as early as possible to allow time to arrange the accommodation.

## XIV.

## ANSWER REQUIREMENT

Pursuant to A.A.C. R14-4-305, if RESPONDENT INGRAM or RESPONDENT SPOUSE requests a hearing, the requesting respondent must deliver or mail an Answer to this Notice of Opportunity for Hearing to Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007, within 30 calendar days after the date of service of this Notice. Filing instructions may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at <http://www.azcc.gov/divisions/hearings/docket.asp>.


Additionally, the answering respondent must serve the Answer upon the Division. Pursuant to A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-delivering a copy of the Answer to the Division at 1300 West Washington, 3<sup>rd</sup> Floor, Phoenix, Arizona, 85007, addressed to Mike Dailey.

The Answer shall contain an admission or denial of each allegation in this Notice and the original signature of the answering respondent or respondent's attorney. A statement of a lack of sufficient knowledge or information shall be considered a denial of an allegation. An allegation not denied shall be considered admitted.

When the answering respondent intends in good faith to deny only a part or a qualification of an allegation, the respondent shall specify that part or qualification of the allegation and shall admit the remainder. Respondent waives any affirmative defense not raised in the answer.

The officer presiding over the hearing may grant relief from the requirement to file an Answer for good cause shown.

Dated this 22 day of July, 2008.

  
Matthew J. Neubert  
Director of Securities

MD